

Communication on Progress 2013

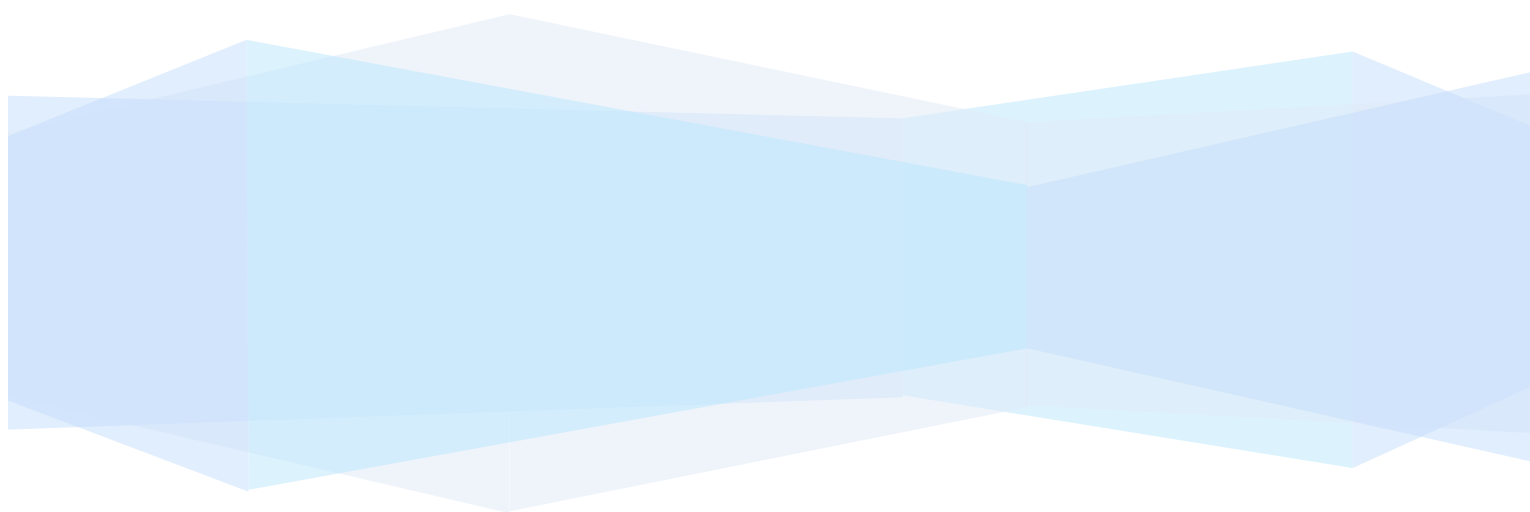


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CEO Statement

I am pleased to confirm that NetDimensions continues to support the Ten Principles of the United Nations Global Compact with respect to human rights, labor, environment, and anti-corruption issues.

We believe our commitment to the principles of the United Nations Global Compact can align our long-term business interests with overall social and environmental responsibility and progress. We recognize the economic and social impacts on and responsibilities to our stakeholders and the community, and we place high value on our credibility and reputation in the community.

With this Communication on Progress under the United Nations Global Compact, we express our intent to advance the Ten Principles as part of the strategy, culture and day-to-day operations of our company, and to engage in collaborative projects focused on building a sustainable and inclusive global economy. We also hope to inspire our stakeholders and partners with the virtues of the Global Compact.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Jay Shaw', with a stylized, flowing script.

Mr. Jay Shaw
CEO & Managing Director

About NetDimensions

Established in 1999, listed on the London Stock Exchange (AIM: NETD) and trading on OTCQX (OTCQX: NETDY), NetDimensions is committed to leadership in performance, knowledge, and learning technology. Our global solutions help organizations achieve productivity & efficiency improvements, cost reduction, risk management, and cultural & process innovation.

Through our own offices worldwide, as well as through a global reseller network that extends to over 40 countries, NetDimensions serves hundreds of clients with millions of active users globally, 24/7.

Today, NetDimensions provides secure, flexible, and practical talent management solutions to personalize learning, share knowledge, enhance performance, foster collaboration, and manage compliance for employees, customers, partners, and suppliers. We focus on highly-regulated industries with demanding operational and compliance requirements.

Executive Summary

Year 2013 marks a remarkable year for NetDimensions. As a first-year-participant in the United Nations Global Compact, NetDimensions actively explored its potential and capacity to contribute to the betterment of the international community. Grounded on the Ten Principles of the Global Compact and the Universal Declaration of Human Rights, NetDimensions set-out our Corporate Social Responsibility (“CSR”) policies and carried out a number of CSR projects.

NetDimensions undertook a number of local projects during the year and expanded its CSR framework by establishing an active CSR committee. NetDimensions has developed and plans to implement in 2014 a supplier and partner code of conduct for all its supplier and business partners to acknowledge and comply with, as well as an internal platform for increasing and enhancing its employees’ and business partners’ knowledge of and commitment to the Ten Principles.

Finally, NetDimensions will adopt the Global Reporting Initiative (GRI) on sustainability reporting in its 2014 Annual Report & Accounts. The GRI guidelines set out the principles and indicators that organizations use to measure and report their economic, environmental and social performance.

The following sections summarize NetDimensions’ engagement with the United Nations Global Compact in 2013 in more detail. They also set goals under the Ten Principles for NetDimensions to strive for going forward. NetDimensions will continue to communicate on progress under the United Global Compact, and aims to continuously improve its business practices and environment under the Global Compact.

Human Rights

WE RESPECT the inherent dignity and the equal and inalienable rights of all members of the human family to be the foundation of freedom, justice and peace in the world.

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Business should make sure that they are not complicit in human rights abuses

Goals:

We wish to enhance human rights not only within our company, but also within the industry and the international community.

The human rights policies and actions adopted by NetDimensions in year 2013 are divided into 3 parts: A. Within our company and community; and B. Within our industry.

A. Within our company and community

Education

We believe in a diverse working environment where everyone is treated fairly and equitably. Continuous improvement is part of our culture and we encourage employee professional learning and development by supporting training programs and reimbursing related expenses. An important objective of our in-house and training programs is to incorporate the concepts of human rights protection into the workplace. NetDimensions is providing mandatory enrollment training to all newly on boarded staff setting out and promoting key-principles under this Principle.

Establishment of the CSR Committee:

In December 2013, NetDimensions established the CSR Committee. The primary purpose of the CSR Committee is to explore ways to improve NetDimensions' CSR and to engage our stakeholders in this process. The CSR Committee has at least

three members and is led by NetDimensions' General Counsel, Rienk Brouwer. Employees from different ranks, race, sex and age can be selected to the Committee so long as they support CSR. With the establishment of the CSR Committee, we can carry out our CSR policies, events and appraisals in a more regular and organized manner.

CSR Events:

*“There is no exercise better for the heart than reaching
down and lifting people up.”*

– John Holmes.

Throughout 2013, we have participated in the following CSR events.

1. Hong Kong and Kowloon Walk for Millions 2013

Hong Kong and Kowloon Walk for Millions 2013 was held on 6th January 2013 to support “Family and Child Welfare Services”. There were 29 NetDimensions employees who completed the 10km walk and also took part in the donation drive to help The Community Chest for raising funds for its member social welfare agencies in helping needy and disadvantaged people in our community. NetDimensions matched the contribution that was raised by its staff members.



2. Blood Donation 2013

Blood donation may not be the most appealing of charitable activities, but like all other charitable events, it brings out the best in human nature.



3. Philippines disaster

On 8th November 2013, the most powerful tropical cyclone to make a landfall on record, Haiyan, smashed into the Philippines. At least 4,000 people were killed in the Philippines alone, and the damage caused by Haiyan to infrastructure, farmlands, and communications is colossal. Like other catastrophes, the aftermath of Haiyan will bring further challenges to the Filipino people.

In order to help the Philippines' government and people, NetDimensions launched a donation program in December 2013 inviting its staff, clients and business partners to contribute towards the relief efforts for victims of Haiyan. NetDimensions matched the contribution and donated the full amount to the International Red Cross by the end of December 2013.

Measurement of outcomes:

By the end of 2014, we will have incorporated this COP and our updated code of business conducts and ethics into our mandatory internal and proprietary digital learning platform, NetDimensions Talent Suite and/or the Interactive Dialogue System discussed below. Talent Suite is a software platform that focuses on learning

and performance at its core. By making use of our own platform, our employees are able to review the company human right policies and implementation progress by way of courses, web-assets and webinars (a portmanteau of web and seminar, meaning a presentation, lecture or workshop that is transmitted over the web).

We will also set up a company CSR email address and internal web space on our intranet (together referred to as the 'Interactive Dialogue System' or 'IDS') to assess the effectiveness of our human rights policies training programs and to create a constant platform for employees or partners to convey any concerns they might have in regard to these points. The IDS will be monitored by our CSR Committee which is accountable only to our CEO. In the case where employees are aware of any human rights abuse or malpractice in the workplace, or where they have any enquiry or doubt after reviewing the relevant content on the NetDimensions Talent Suite, employees are given the opportunity to report to the CSR Committee and senior management in confidence without any concern for workplace consequences. The CSR Committee will then investigate into the merits of the complaints and take necessary actions to ameliorate the situation.

With regard to the CSR events, the results are very encouraging. Starting from 2014, the CSR Committee will regularly inform NetDimensions employees which CSR events have been or shall be initiated. Furthermore once a year, a small token of appreciation shall be handed out to the most active CSR participating division within NetDimensions. The CSR Committee will take into account the overall feedback and the number of participants of each event to determine whether a similar event will be launched during the following year. NetDimensions will continue to communicate its CSR initiative in its following COPs.

B. Within our industry

Code of Conduct:

We have drafted a Supplier and Partner Code of Conduct to engage our stakeholders in the process of enhancing corporate social responsibility which we plan to implement and share with our suppliers and partners from 2014 onwards. The United UNGC is also incorporated into the Supplier and Partner Code of Conduct. We shall encourage our suppliers and business partners to actively integrate the Ten Principles of the Global Compact into their decision-making processes and business practices.

Reseller Conference:

We do business globally and work very closely with a number of local partners and resellers in over 40 countries. Each year, we hold a conference to meet our industry partners. During the conference, we share best practices with our international

partners and resellers and try to have a positive impact on their business practices and local communities. From 2014 onwards, the reseller conference will be the venue where we share our support for the Ten Principles, as well as our Supplier and Partner Code of Conduct.

Measurement of outcomes:

Our CSR Committee will pay close attention to the business practises under the Human Rights Principle of our partners and resellers to feel confident that NetDimensions works with firms that are also dedicated to the protection of human rights. Compliance to our Supplier and Partner Code of Conduct will be an important consideration in the process of partner and supplier evaluation. We will report on our assessment practises in following COPs.

Labor

Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: The elimination of all forms of forced and compulsory labor

Principle 5: The effective abolition of child labor

Principle 6: The elimination of discrimination in respect of employment and occupation

Goals:

It is our goal to have the highest possible rate of employee satisfaction.

We are also committed to improving the quality of labor and for all employees to be able to defend their rights.

Policies:

1. We are committed to treating our employees equally regardless of such considerations as sex, sexual orientation, race, religion, nationality, marital status, pregnancy, disability, or family status. NetDimensions complies with all applicable anti-discrimination laws in all jurisdictions in which we operate.
2. We have guidelines and contractual obligations in place to help employees, contractors and resellers preventing discrimination in the workplace.
3. As of beginning 2014, our staff is encouraged to communicate and report any case of discrimination to the Company General Counsel or CSR Committee through the IDS. Our General Counsel will assess any issue that might occur to make sure that the right to non-discrimination of each of our employees is protected.
4. We have also started to support **LINGOs (Learning In NGOs)** and Last Mile Learning to show, among other things, our commitment to the principle of fair labor, meaning that we are helping to support the personal and career

development of workers in less-developed economies who might otherwise not have options for such personal improvement.



Commitment Summary:

NetDimensions committed to providing free of charge its proprietary developed learning platform NetDimensions Talent Suite to LINGOs and the Last Mile Learning initiative which will make world-class learning opportunities available online at no cost in areas such as basic finance, basic management, project management and other development-specific topics.

These courses will be delivered to users via the NetDimensions Learning Management System and accessed through either the Global Last Mile Learning portal or national portals run by local associations and training providers. All content on the platform will be available in various online formats as well as in packages of facilitation and participant materials for face-to-face instruction. All materials are targeted to be available in a number of languages, including French, English and Portuguese.

The core learning paths of Last Mile Learning can be used to develop key management skills in young developing economy entrepreneurs, local NGOs and government ministries as well as locally established non-profits and businesses.

Measurement of outcomes:

Our General Counsel will monitor the compliance with the employee handbook and the company's applicable policies, including compliance with the anti-discrimination and anti-sexual harassment laws. The IDS introduced above will also start playing a role in this regard.

With regard to LINGOs, the CSR Committee will pay close attention to monitor outcomes. Our target is that within one year time from the launch of LINGOs access to NetDimensions Talent Suite, there will be over 50 NGOs making use of the NetDimensions provided learning portal, with 5,000 actual registrants for coursework, and 1,000 people having completed coursework. We will include a report of whether these targets have been met in our 2014 COP.

Environment

Principle 7: Business should support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Encourage the development and use of environmentally friendly technologies

Goals:

It is our goal to find areas to reduce our CO2 emissions.

Policies:

Small Start Campaign:

The slogan of the campaign is “To preserve our environment, beginning with your workplace”. NetDimensions believes that the world will be a better world if all of us are more aware of apparently *small* matters. We will publish a guideline to inform our employees to print only necessary documents. In the meantime, the existing policy of keeping the air conditioning systems in our Hong Kong and Philippines based offices not lower than 24 °C will continue.

Coastal Cleanup 2013

On 9th June, 2013, we launched a coastal cleanup campaign at Clear Water Bay Second Beach in Hong Kong. 26 of our member staff participated in the campaign. They filled up 12 trash bags and the total estimated weight of trash collected is 70kgs.



Measurement of outcomes:

With regard to the Small Start Campaign, the CSR Committee will launch a random check in the coming year to ensure compliance. The results of such checking will be published in the 2014 COP. The outcome of the Coastal Cleanup 2013 will be examined together with other CSR events at the annual meetings of the CSR Committee. NetDimensions will communicate environmental outcomes and plans in its 2014 COP.

Anti-Corruption

Principle 10: Business should work against corruption in all its forms, including extortion and bribery.

Goal:

It is our policy to conduct all of our business in an honest and ethical manner.

Policies:

We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.

We will uphold all laws relevant to countering bribery and corruption in all jurisdictions in which we operate. In particular, we are bound by the laws of Hong Kong and the UK, including The Anti-Bribery Act 2010, with respect to our conduct both at home and abroad.

We have a detailed policy statement to set out our responsibilities, and the responsibilities of those working for us, in observing and upholding our position against bribery and corruption. We also train our employees on the relevant laws through our online learning platform. The policy and training provide information and guidance to those working for us on how to recognize and deal with bribery and corruption issues. In addition, every employee is required to familiarize themselves with our anti-corruption policies and pass an online test when they commence their employment at NetDimensions.

Measurement of outcomes:

Our General Counsel will monitor the effectiveness and review the implementation of the anti-corruption policy. Any identified defects of our anti-corruption policies will be eradicated as soon as possible. All the internal control systems and procedures will be subject to regular evaluation to prove assurance that they are effective in countering bribery and corruption.